

**INTERGOVERNMENTAL AGREEMENT CONCERNING
AN AMENDMENT TO THE MAIN STREET TRIANGLE TIF DISTRICT**

This Intergovernmental Agreement is entered into as of the 10th day of December, 2007, by, between, and among the following parties: the Village of Orland Park, Illinois ("Village"); the Board of Education of Orland School District No. 135, Cook County, Illinois ("District 135"); and the Board of Education of Consolidated High School District No. 230, Cook County, Illinois ("District 230").

WHEREAS, each of the parties has the authority to enter into this Agreement pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, pursuant to Sections 3 and 5 of the Intergovernmental Cooperation Act (5 ILCS 220/3 and 5), and pursuant to the statutory contracting power of each party;

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-7.4-1 *et seq.*) (the "TIF Act"), the Village in 2004 adopted ordinances approving a tax increment redevelopment plan and redevelopment project (Ordinance No. 3941), designating a tax increment redevelopment project area located within the boundaries of the Village and also located in whole or in part within the boundaries of each of the other parties, such area known as the "Main Street Triangle TIF District," (sometimes referred to herein as "TIF District") (Ordinance No. 3942), and adopting tax increment financing for the TIF District (Ordinance No. 3943);

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-7.4.1 *et seq.*) (the "TIF Act"), the Village on October 15, 2007 adopted ordinances amending the tax increment redevelopment plan and redevelopment project (Ordinance No. 4297), amending the tax increment redevelopment project area located within the boundaries of the Village and also located in whole or in part within the boundaries of each of the other parties,

such area known as the "Main Street Triangle TIF District (Ordinance No. 4298) and adopting tax increment financing for the amended redevelopment area (Ordinance No. 4299),

WHEREAS, District 135 and District 230 have concerns about the effect of the amended TIF District upon the finances of the school districts and other taxing bodies;

WHEREAS, the parties all favor the sort of economic development which should be fostered by the amendment to the TIF District;

WHEREAS, the parties all desire to accommodate their concerns and goals with respect to development within the TIF District in such a way as to not cause unnecessary financial detriment to the parties and not have substantial negative impact on the real estate tax base of any taxing district;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. **DEFINITIONS:**

As used herein, unless the context indicates otherwise, or unless specifically defined otherwise, the following terms shall be accorded the following meanings:

1.1 **TIF Act.** The Tax Increment Allocation Redevelopment Act of Illinois, (65 ILCS 5/11-74.4.1 *et seq.*) as amended, and as it may hereafter be amended from time to time.

1.2 **Added Property.** That territory containing about 10.5 acres located at the Northwest corner of LaGrange Road and 143rd Street within the boundaries of each of the parties and consisting of those parcels identified in the records of Cook County, Illinois, as PINs 27-04-417-007-000, 27-04-417-015-0000, 27-04-417-016-0000, and 27-04-417-017-0000.

1.3 TIF Amendment. The amendment to the boundaries of the TIF District to include the Added Property as submitted by the Village to a joint review board, including representatives of District 135 and District 230, which joint review board first converted on August 27, 2007.

1.4 Redevelopment Project Area. The portion of the Village designated as a Redevelopment Project Area in Village Ordinance No. 3942, passed and approved on October 4, 2004, and amended by Ordinance No. 4298, passed and approved on October 15, 2007.

1.5 Plan and Project. The redevelopment plan and redevelopment project defined as the "Plan" and the "Project" in Village Ordinance No. 3941, passed and approved on October 4, 2004, and amended by Ordinance No. 4297, passed and approved on October 15, 2007.

1.6 Incremental Revenues. The property tax revenues required to be deposited into the Village's special tax allocation fund pursuant to Section 11-74.4-8(b) of the Act and in consequence of the Village's designation of the Redevelopment Project Area and adoption of the Plan and Project.

1.7 Collection Year. The year in which incremental revenues are actually collected by the Cook County Collector and distributed to the Village, although levied and due in the preceding year.

1.8 Project Costs. All reasonable and necessary costs of the Project as described in the Village ordinances referenced above and in the information provided to the Joint Review Board for the TIF Amendment, but not to exceed \$54,500,000.

1.9 Bonds. Obligations issued to finance improvements in the Redevelopment Project Area consistent with the Plan, Project, and Project Costs.

1.10 Surplus Funds. Funds in the special tax allocation fund not required for the payment and securing of Bonds and Project Costs.

1.11 Taxing Districts. Counties, townships, cities and incorporated towns and villages, school, road, park, forest preserve, fire protection, and any other municipal corporations or special districts with the power to levy taxes, including, but not limited to, the parties.

1.12 TIF Fund. The Village's special tax allocation fund for the Main Street Triangle TIF District.

2. PROJECT COSTS. Except as provided herein, the total and uses of the Project Costs to be financed by Bonds and/or Incremental Revenues shall not exceed those specified in the Plan as defined herein.

3. MUTUAL COOPERATION

3.1 In reliance upon information provided them by the Village, and in consideration of the mutual promises contained herein, District 135 and District 230 each agree to refrain from initiating, joining, or financially supporting any effort to defeat or challenge the TIF Amendment or the Village's actions to expand the TIF District to include the Added Property.

3.2 Each of the parties retains the right to bring an action to enforce this agreement.

4. **DISBURSEMENT OF INCREMENTAL REVENUES**

4.1 **Surplus Funds.** In each collection year, the Village shall declare the amount of incremental revenues specified herein as Surplus Funds to be surplus funds, said Surplus Funds to be paid to the Cook County Collector and distributed to the taxing districts on a basis which is proportional to the current collections of revenue which each such taxing district receives from real property in the Redevelopment Project Area. In no event, however, shall the amount of Surplus Funds in each of the years 19 through 23 of the TIF District be less than One Hundred Sixty-Three Thousand, Six Hundred Seventy-Seven Dollars (\$163,677.00).

4.2 In the event that all Project Costs have been paid and all principal and interest on Bonds have been retired, any and all remaining and/or further incremental revenues shall be immediately declared Surplus Funds and distributed in the manner set forth in Section 4.1 above.

4.3 **Non-Portability.** Incremental Revenues received from the Main Street Triangle TIF District, as amended, shall be neither transferred nor loaned to any other tax increment financing district or to any other Village fund.

5. — **VILLAGE CONTRIBUTIONS TO TIF FUND**

5.1 **Village Revenues.** Sales tax, in the amount of \$818,383, shall be deposited by the Village into the TIF Fund over the life of the TIF District and shall be used exclusively for the purpose of declaring surplus in accordance with Section 4 of this Agreement.

5.2 **Proceeds from Sale of Land.** All proceeds from the sale of any real estate purchased by the Village with revenue from the TIF Fund, both directly or through later reimbursement, shall be deposited by the Village into the TIF Fund, shall be used exclusively for Project Costs for the TIF District, and shall be subject to the provisions of Section 4 of this Agreement

5.3 Except to the extent expressly limited by such grant, all proceeds received by the Village through any grant related to the construction or renovation of a METRA train station within the boundaries of the TIF District shall be deposited by the Village into the TIF Fund, shall be used exclusively for Project Costs for the TIF District, and shall be subject to the provisions of Section 4 of this Agreement.

6. **EDUCATIONAL COSTS** The Village agrees to make from the TIF Fund on an annual basis all such payments to District 135 and District 230 for the educational operational cost of the students enrolled in that district and residing within the TIF District in an amount equal to the per pupil cost of that district, as determined by the district's most recent Annual Financial Report, pursuant to the limitations of 65 ILCS 5/11-74.4-3(q)(7.5), as that statute provides at the time this Agreement is entered into by the parties, subject to Section 11.5. Further, the

Districts may submit to the Village the required evidence to support a claim under this Section after July 1 and before November 30 of each year.

7. **ANNUAL REPORT** The Village shall monitor the Plan and Project and prepare and provide to District 135 and District 230 after the end of each year and within one hundred eighty (180) days after the close of the Village fiscal year, an analysis of the special tax allocation fund for the immediately preceding fiscal year which sets forth:

- (a) the balance in the special tax allocation funds at the beginning of the fiscal year;
- (b) all amounts deposited in the special tax allocation fund by source;
- (c) all expenditures from the special tax allocation fund by category;
- (d) the balance, if any, in the special tax allocation fund at the end of the fiscal year including a breakdown of that balance by source.

8. **BUDGET** The Village shall prepare and provide to each of the other parties within sixty (60) days after the close of the Village's fiscal year the Plan and Project estimated budget for the forthcoming fiscal year, said estimated budget to include anticipated revenues, estimated budget costs and estimated surplus funds. The parties acknowledge that the budget shall be and estimate subject to change and the Village shall inform the other parties as soon as is practicable of any modifications to or deviations from said Plan and Project budget.

9. **AMENDMENT**

9.1 The Village will not amend the Plan or extend the TIF District to include new real property within the amended redevelopment project area boundaries without first obtaining the written consent of District 135 and District 230.

9.2 The Village will neither seek the authority to extend nor actually extend the duration of the Plan or the TIF District without first obtaining the written consent of District 135 and District 230.

9.3 The Village will not otherwise amend the Plan except after providing notice and holding a public hearing as required by Section 11-74.4-5 of the TIF Act.

10. **NOTIFICATION OF FUTURE TIFS** The Village shall provide all relevant taxing bodies, including District 135 and District 230, with notice of any proposed new tax increment redevelopment project area no later than sixty (60) days prior to the convening of the joint review board considering that proposal. This obligation shall continue beyond the term of the other provisions of this Agreement.

11. **MISCELLANEOUS PROVISIONS**

11.1 **Authority.** Each party warrants to the others that it is authorized to execute, deliver and perform this Agreement. Each party warrants to the others that execution, delivery and performance of this Agreement does not constitute a breach or violation of any agreement, undertaking, law or ordinance by which that party is bound. Each individual signing this Agreement on behalf of a party

warrants to the other party that such individual is authorized to execute this Agreement in the name of the party on whose behalf he or she executes it.

11.2 Binding Effect. This Agreement shall be binding on the parties and their respective successors. It may not be assigned.

11.3 Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants, agreements, or portions of this Agreement and, to that end, all provision, covenants, agreements or portions of this Agreement are declared to be severable.

11.4 Further Acts. Each party shall, at the request and expense of the other, execute and deliver any further documents and do all acts and things as that party may reasonably require to carry out the true intent and meaning of this Agreement.

11.5 Change in Law. If the TIF Act or the laws governing the assessment of real property, the establishment of real property tax rates, or the collection of real estate tax revenues, or the practice of officials charged with execution of those law, should be amended or changed so as to affect substantially the rights or benefits of either party to this Agreement, the parties shall, upon notice by the party complaining of the amendment or change, cooperate to ensure that the parties are protected as intended-by this Agreement.

11.6 Governing Law. This Agreement is governed by and shall be interpreted and enforced in accordance with the laws of the State of Illinois.

11.7 Waivers and Modifications. No waiver of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and signed by the party making the waiver, and then shall be effective only in the specific instance and for the purpose given. This Agreement shall not in any other way be modified except in writing signed by all parties.

11.8 Notices. Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficiently given if in writing and delivered personally or mailed by certified mail, postage prepaid, as follows:

If to the Village:

Village Clerk
Village of Orland Park
14700 Ravinia Avenue
Orland Park, IL 60462

If to District 135:

Superintendent
Orland School District No. 135
15100 S. 94th Avenue
Orland Park, IL 60462

If to District 230:

Superintendent
Consolidated High School
District No. 230
15100 S. 94th Avenue
Orland Park, IL 60462

11.9 Entire Agreement. This Agreement expresses the complete and final understanding of the parties with respect to its subject matter.

11.10 Execution. This Agreement may be executed in duplicate counterparts, each of which shall be as effective as the others upon approval and execution by all parties.

11.11 Term of Agreement. Except as otherwise expressly provided herein, the term of this Agreement shall commence on the date first above written and shall continue until the date upon which the TIF District expires.

IN WITNESS WHEREOF, the parties have executed this Agreement on or before _____

December 10, 2007.

BOARD OF EDUCATION, ORLAND
SCHOOL DISTRICT NO. 135, COOK,
COUNTY, ILLINOIS

BY: Suzanne Cackey
President

ATTEST: Nancy M. Sutherland
Secretary

DATE: _____, 2007

BOARD OF EDUCATION,
CONSOLIDATED HIGH SCHOOL
DISTRICT NO. 230, COOK COUNTY,
ILLINOIS

BY: Dennis W. Cook
President

ATTEST: Kathleen A. Zuck
Secretary

DATE: 12-20-07, 2007

VILLAGE OF ORLAND PARK,
STATE OF ILLINOIS

BY: James H. McLaughlin
Village President

ATTEST: David B. Maher
Village Clerk

DATE: _____, 2007